



Trade and Agriculture **What's at Stake for Hawaii?**

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Hawaii produces agricultural products that are exported worldwide. In fiscal year 2000, the State's total cash receipts from farming reached \$530 million, and exports were estimated at \$113 million. These exports help boost farm prices and income, while supporting jobs both on the farm and off the farm in food processing, storage, and transportation. Hawaii's agricultural exports alone create an estimated 1,500 jobs.

Hawaii's top agricultural exports in fiscal year 2000 were:

- # fruits -- \$49 million
- # tree nuts -- \$12 million

World demand for agricultural, fish and wood products is increasing, but so is competition among suppliers. If Hawaii's industries are to compete successfully for export opportunities in the 21st century, they need *fair trade* and *more open access* to growing global markets.

Hawaii Benefits From Trade Agreements

Trade agreements benefit all Americans. The North American Free Trade Agreement and the Uruguay Round Agreement have resulted in annual gains of between \$1,260 and \$2,040 for the average American family of four. Free trade and open markets provide real benefits: lower prices, more choices, and higher incomes.

Hawaii is already benefitting from a number of trade agreements. While there is still much to be done, examples of recent market opportunities include:

- # Hawaii benefits from the Uruguay Round as Japan and South Korea make substantial tariff reductions on a wide range of fresh and processed fruits. From 1995 to 2000, Japan lowered its tariffs to 23 percent on fruit juices containing not more than 10 percent sucrose by weight. Supported by this move, U.S. exports of these juices increased 67 percent since 1995 reaching \$29 million in 2000.
- # Under the Uruguay Round agreement, Hawaii benefitted when Japan cut tariffs on almonds and other nuts from 1995 to 2000. South Korea, Thailand, and Malaysia are doing likewise. Supported by these cuts, U.S. in-shell walnut exports to Japan rose threefold, reaching \$9.4 million in 2000, and U.S. in-shell walnut sales to South Korea increased from \$1.8 million to \$3.2 million during the same period. U.S. almond sales to Thailand rose from \$652,000 in 1995 to \$862,000 in 2000.